



PRESS RELEASE

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Tuesday, December 21, 2004

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CALIFORNIA MAN PLEADS GUILTY IN SCHEME TO DEFRAUD PHOENIX MERCHANTS

PHOENIX -- The U.S. Attorney's Office for the District of Arizona announced that on December 17, 2004, Toussaint Omar Walton, DOB 10/26/69, of Compton, Calif., pleaded guilty in federal district court in Phoenix to one felony charge of Conspiracy to Commit Fraudulent Use of a Social Security Number in violation of Title 18 U.S. Code Section 371.

Walton admitted to U.S. Magistrate Judge Edward C. Voss that on September 13, 2000, he opened a checking account using a false social security number at a branch office of Bank of America in Phoenix. Shortly thereafter, the bank mailed checks to him for use with the new account. Then, on September 30 and October 1, 2000, Walton issued 14 checks to merchants in the Phoenix area for the purchase of goods in the total amount of \$8,020.95. At the time he issued the checks, the bank account had a balance of approximately \$2,300. Walton then withdrew \$2,230 from that account before any of the 14 outstanding checks could be presented to the bank for payment. All of his checks were returned for insufficient funds to the merchants.

Walton stipulated that he had seven co-conspirators who engaged in similar fraudulent schemes, causing a loss to Phoenix area merchants of approximately \$103,086. He also admitted that he opened a second checking account in a similar fashion on September 18, 2000 at a branch office of Wells Fargo Bank in Phoenix, also using the same false social security number, but did not use the checks from that account to obtain any goods.

Walton acknowledged that in furthering the conspiracy, he rented a storage shed in January 2001 in Glendale, Ariz., for the purpose of storing documents used in the conspiracy.

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Also, stored at that location was merchandise obtained fraudulently from merchants by the co-conspirators. Walton acknowledged that he partially paid the rent for the storage shed. Walton told Judge Voss that he knew that the fraudulently acquired goods obtained by him and his co-conspirators would be returned to the selling merchants for a refund of the purchase price before the merchants realized the checks had bounced. Walton received a portion of the money obtained from the fraudulent refunds as his share for participating in the scheme.

A conviction for Conspiracy to Commit Fraudulent Use of a Social Security Number carries a maximum penalty of five years in prison, a \$ 250,000 fine or both. Sentencing is set before Judge James A. Teilborg on Monday, February 17, 2005.

The investigation in this case was conducted by the FBI and the Glendale Police Department. The prosecution is being handled by Richard I. Mesh, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-04-0373-07-PHX-JAT
RELEASE NUMBER: 2004-207

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